

**RELIANCE PACIFIC BERHAD (244521 A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED 31 MARCH 2015**

	<u>2015</u> Current Period Quarter Ended 31-Mar (RM'000)	<u>2014</u> Preceding Period Quarter Ended 31-Mar (RM'000)	<u>2015</u> Current Year Ended 31-Mar (RM'000)	<u>2014</u> Preceding Year Ended 31-Mar (RM'000)
Revenue	55,310	49,081	188,965	208,872
Operating Expenses	(52,732)	(45,125)	(175,050)	(191,961)
Other Operating Income	1,420	421	1,599	581
Depreciation and amortisation	(1,007)	(1,140)	(3,728)	(3,726)
Finance Costs	(2,452)	(2,402)	(10,110)	(10,318)
Share of results of associates	4	(1)	10	10
<b>Profit before tax</b>	<b>543</b>	<b>834</b>	<b>1,686</b>	<b>3,458</b>
Taxation	(278)	(320)	(868)	(921)
<b>Profit for the year</b>	<b>265</b>	<b>514</b>	<b>818</b>	<b>2,537</b>
<b>Profit Attributable to :</b>				
Owner of the Parent	32	309	624	2,013
Non-controlling interest	233	205	194	524
	<b>265</b>	<b>514</b>	<b>818</b>	<b>2,537</b>
<b>Basic earnings per share (sen)</b>	<b>0.00</b>	<b>0.04</b>	<b>0.07</b>	<b>0.23</b>
<b>Diluted earning per share</b>	<b>N / A</b>	<b>N / A</b>	<b>N / A</b>	<b>N / A</b>

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)

**RELIANCE PACIFIC BERHAD (244521 A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2015**

	<u>2015</u> Current Period Quarter Ended 31-Mar (RM'000)	<u>2014</u> Preceding Period Quarter Ended 31-Mar (RM'000)	<u>2015</u> Current Year Cumulative to date 31-Mar (RM'000)	<u>2014</u> Preceding Year Period Ended 31-Mar (RM'000)
Profit for the year	265	514	818	2,537
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	1,974	23	1,074	966
Net changes in fair value of Available-for-sale	(646)	171	(764)	973
<b>Total comprehensive income for the year</b>	<b><u>1,593</u></b>	<b><u>708</u></b>	<b><u>1,128</u></b>	<b><u>4,476</u></b>
<b>Total Comprehensive Income Attributable to :</b>				
Owner of the Parent	1,360	503	934	3,952
Non-controlling interest	233	205	194	524
	<b><u>1,593</u></b>	<b><u>708</u></b>	<b><u>1,128</u></b>	<b><u>4,476</u></b>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)**

**RELIANCE PACIFIC BERHAD (244521 A)**

( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	<b>As at 31-Mar-15 (RM'000) (Unaudited)</b>	<b>As at 31-Mar-14 (RM'000) (Audited)</b>
<b>ASSETS:</b>		
<b>Non Current Assets</b>		
Property, plant & equipment	246,609	230,415
Investment property	3,818	3,858
Goodwill arising on consolidation	32,035	32,035
Investment in Associates	23,957	36,856
Available-for-sales financial assets	439	1,207
Deferred and development expenditure	11	26
Land held for development	65,216	73,314
Deferred tax assets	213	213
<b>Total Non Current Assets</b>	<b>372,298</b>	<b>377,924</b>
<b>Current Assets</b>		
Inventories	16,098	12,245
Trade and other receivables	66,642	88,772
Development properties	46,347	41,361
Fixed and call deposits	15,922	18,922
Cash and bank balances	5,373	3,104
<b>Total Current Assets</b>	<b>150,382</b>	<b>164,404</b>
<b>TOTAL ASSETS</b>	<b>522,680</b>	<b>542,328</b>
<b>EQUITY AND LIABILITIES:</b>		
<b>Equity attributable to owners of the Parent:</b>		
Share capital	171,710	171,710
Other Reserves	100,429	100,119
Retained Profit	78,691	78,067
Attributable to equity holders of the parent	350,830	349,896
<b>Non-controlling interest</b>	<b>6,330</b>	<b>6,136</b>
<b>TOTAL EQUITY</b>	<b>357,160</b>	<b>356,032</b>
<b>Non-Current Liabilities:</b>		
Term Loan	48,824	67,032
Hire purchase	306	178
Deferred tax liabilities	556	556
<b>Total Non-Current Liabilities</b>	<b>49,686</b>	<b>67,766</b>
<b>Current Liabilities</b>		
Trade and other payables	19,217	18,649
Short term borrowings	96,157	99,503
Hire purchase	114	140
Taxation	346	238
<b>Total Current Liabilities</b>	<b>115,834</b>	<b>118,530</b>
<b>TOTAL LIABILITIES</b>	<b>165,520</b>	<b>186,296</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>522,680</b>	<b>542,328</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)

**RELIANCE PACIFIC BERHAD (244521 A)**

( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 MARCH 2015**

Year	← Attributable to Equity Holders of the Parent →						Distributable Reserves	Non-Controlling Interest	Total Equity	
	← Non Distributable Reserves →									
	Share Capital (RM'000)	Share Premium Reserve (RM'000)	Share Buy-back Reserve (RM'000)	Foreign Currency Translation Reserve (RM'000)	Available-for-sale Reserve (RM'000)	Revaluation Reserve (RM'000)				Retained Profits (RM'000)
<b>Year ended 31 Mar 2015</b>										
Balance at beginning of year as at 1 Apr. 2014	171,710	19,911	8,930	2,099	(3,932)	73,111	78,067	349,896	6,136	356,032
Total comprehensive income/ (loss) for the year	0	0	0	1,074	(764)	0	624	934	194	1,128
<b>Balance at end of year</b>	<b>171,710</b>	<b>19,911</b>	<b>8,930</b>	<b>3,173</b>	<b>(4,696)</b>	<b>73,111</b>	<b>78,691</b>	<b>350,830</b>	<b>6,330</b>	<b>357,160</b>
<b>Year ended 31 Mar 2014</b>										
Balance at beginning of year as at 1 Apr. 2013	171,710	19,911	8,930	1,133	(4,905)	73,111	76,054	345,944	5,612	351,556
Total comprehensive income/ (loss) for the year	0	0	0	966	973	0	2,013	3,952	524	4,476
<b>Balance at end of year</b>	<b>171,710</b>	<b>19,911</b>	<b>8,930</b>	<b>2,099</b>	<b>(3,932)</b>	<b>73,111</b>	<b>78,067</b>	<b>349,896</b>	<b>6,136</b>	<b>356,032</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)

**RELIANCE PACIFIC BERHAD (244521 A)**

( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 MARCH 2015**

	<b>2015</b>	<b>2014</b>
	<b>Year</b>	<b>Year</b>
	<b>ended</b>	<b>ended</b>
	<b>31-Mar</b>	<b>31-Mar</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,686	3,458
Adjustment :-		
Non-cash items	2,640	3,773
Non-operating items ( which are investing / financing )	9,897	9,802
Operating profit before changes in working capital	<u>14,223</u>	<u>17,033</u>
Changes in working capital		
Net Change in current assets	15,368	4,810
Net Change in current liabilities	(439)	(1,398)
Cash generated from operations	<u>29,152</u>	<u>20,445</u>
Interest paid	(10,110)	(10,318)
Tax Paid	(1,118)	(1,351)
Net cash flows generated from operating activities	<u>17,924</u>	<u>8,776</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Other investment	213	506
Proceeds from disposal of property, plant and equipment	134	1
Proceeds from disposal of land held for development	11,824	
Partial Proceeds from disposal of investment	14,151	
Purchase of property, plant and equipment	(19,678)	(2,271)
Purchase of land held for development	(2,713)	(11,270)
Increase of investment of associates company	(196)	0
Net cash flows used in investing activities	<u>3,735</u>	<u>(13,034)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Bank Borrowings	(17,615)	(16,203)
Net cash flows (used in) / generated from financing activities	<u>(17,615)</u>	<u>(16,203)</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>4,044</b>	<b>(20,461)</b>
Cash & cash equivalents at beginning of period	(37,507)	(16,823)
Effects of exchange rate changes on cash & cash equivalents at end of period	(641)	(223)
<b>Cash &amp; cash equivalents at end of period</b>	<b><u>(34,104)</u></b>	<b><u>(37,507)</u></b>
<b>Cash &amp; cash equivalents comprise the following:</b>		
Fixed and call deposits	15,922	18,922
Cash and bank balances	5,373	3,104
Bank overdraft	(55,399)	(59,533)
	<u>(34,104)</u>	<u>(37,507)</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)**

# RELIANCE PACIFIC BERHAD

(Company no. 244521 A)

## Notes

### A. NOTES TO THE INTERIM FINANCIAL REPORT

#### A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting, Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2014.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 March 2014 under the Malaysian Financial Reporting Standards (MFRS) framework.

#### A2 Audit Report of Preceding Annual Financial Statement

The annual audited financial statement in the preceding year was not qualified.

#### A3 Seasonal or Cyclical Factors

The Group is principally engaged in the following business operations:

- a) Hotel
- b) Property
- c) Tourism

The major festivities and school holidays generally affect the performance of Hotel & Tourism Division. The performance of Property Division is affected by the sentiments of the property cycle, as the division's profitability is dependent on the sale of its properties.

#### A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

## A5 Accounting Estimates

There were no changes in estimates of amounts reported in prior financial quarters of the current financial year or in prior financial years that have a material effect in the current financial quarter.

## A6 Issuance or Repayment of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period to date.

## A7 Dividend Paid

There were no dividends paid during the year under review.

## A8 Segmental Reporting

### a) Revenue

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2015 (RM'000)	Current Quarter Ended 31 Mar 2014 (RM'000)	Current Year Ended 31 Mar 2015 (RM'000)	Current Year Ended 31 Mar 2014 (RM'000)
Hotel	11,806	12,225	44,839	45,346
Property	6,232	2,817	17,551	33,100
Tourism	36,540	33,024	122,546	126,463
RPB & others	732	1,015	4,029	3,963
<b>Grand Total</b>	<b>55,310</b>	<b>49,081</b>	<b>188,965</b>	<b>208,872</b>

### b) Profit/(Loss) before taxation

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2015 (RM'000)	Current Quarter Ended 31 Mar 2014 (RM'000)	Current Year Ended 31 Mar 2015 (RM'000)	Current Year Ended 31 Mar 2014 (RM'000)
Hotel	1,304	1,427	8,552	8,738
Property	150	(348)	355	1,209
Tourism	(141)	(48)	(1,759)	(705)
RPB & others	(774)	(196)	(5,472)	(5,794)
Share of results of associates	4	(1)	10	10
<b>Grand Total</b>	<b>543</b>	<b>834</b>	<b>1,686</b>	<b>3,458</b>



## **A9 Material events subsequent to the end of the financial period**

There were no material events subsequent to the end of the current financial year ended 31 March 2015 and up to the date of this report.

## **A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial year ended 31 March 2015 and up to the date of this report other than the following:

- a) On 20 June 2014, the Group had disposed off its 39.99% stake in Menara Ampang Sdn Bhd for a total consideration of RM41.515 million.

The disposal was not completed during the quarter under review.

- b) On 1st April 2015 RPB has announced the voluntary winding up and deregistration of its Australian subsidiary known as Reliance-OSW (Nominees) Pty Ltd was completed.

## **A11 Significant related party transactions**

Significant related party transactions which were entered into on agreed terms and prices for the current year ended 31 March 2015 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 31 March 2014 and the approved shareholders' mandate in the circular dated 6 September 2013 for recurrent related party transactions.

	<b>Current Year Ended 31 Mar 2015 (RM'000)</b>
Services rendered to the companies controlled by certain directors	2,798
Services rendered by the companies controlled by certain directors	997
Purchases from the companies controlled by certain directors	5,013
Sales to the companies controlled by certain directors	12,303

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Review of Performance of the Company and its Principal Subsidiaries**

The year under review was a challenging one for the group especially for the tourism division. Despite the challenging operating environment, the group embarked on a market share acquisition strategy in the tourism division, resulting in increase in revenue and lower yield.

The Group consolidated revenue for the current quarter has improved by 12.7%. However the Group Profit before tax is RM0.543 million as compared to RM0.834 million in the preceding year same quarter. The lower profit was mainly due to the lower yield achieved by tourism division.

**B2 Material Changes in the Quarterly Results as compared with the Preceding quarter**

The Group consolidated revenue for the reporting quarter has increased by 13.7% in comparison to the preceding quarter.

The Group consolidated profit before tax for the 4<sup>th</sup> quarter under review is RM0.543 million as compared to RM0.563 million in the preceding quarter.

**B3 Variance from Profit Forecast**

Not applicable.

## **B4 Commentary on Prospect**

In the wake of dampened market sentiments as a result of a patchy economic growth, weakened global and regional economy, air disasters, political instability in the region and the world, the next 6 months will be challenging but it has some silver linings from RPB's perspective.

### **Hotel Division**

In spite of a very challenging operating environment, this division continues to perform. Moving forward to the next 6 months, we expect the hotel division to continue to generate good revenue and positive bottom-line.

It is anticipated that the lower oil prices will be translated into lower airfares and lower fuel prices which in turn will encourage travel from abroad and domestically. This augurs well for the hotel division.

Looking further into the horizon, we expect to increase the number of properties we manage with new management contracts under the "Avillion" brand as well as "Avillion Private Collection."

### **Property Division**

In the current environment of higher interest rates and tightened credit, we expect this division to remain neutral. RPB will remain focused on the development of its Desa Impian Project in Bandar Tenggara, Johor.

Phase 1A will be completed and handed over to buyers in the 1st half of the financial year ending 31 March 2016.

Phase 1B was launched in March 2015. We target to complete and hand over to buyers in the 1st half of the financial year ending 31 March 2016.

Phase 2A and 2B comprises of commercial properties which are currently under planning stage and will be launched at the right time and subject to demand.

Besides Desa Impian, we will continue to be on the look-out for opportunities internally by utilizing our land bank or externally when they arise. Nonetheless, in the light of the current challenging environment in the property market, such opportunities will be evaluated very judiciously.

## B4 Commentary on Prospect

### Tourism Division

As mentioned above, we anticipate that the lower oil prices will be translated into lower airfares and lower fuel prices which in turn will encourage stronger travel demand. This augurs well for the RPB's tourism companies that are located in strategic getaways of Asia particularly, Hong Kong, Singapore, Bangkok and Sydney.

## B5 Profit before taxation

Profit before taxation is derived after charging / (credited) of the following:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2015 (RM'000)	Current Quarter Ended 31 Mar 2014 (RM'000)	Current Year Ended 31 Mar 2015 (RM'000)	Current Year Ended 31 Mar 2014 (RM'000)
Interest income	(209)	(494)	(213)	(506)
Gain on disposal of investment	(913)	0	(1,046)	0

## B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2015 (RM'000)	Current Quarter Ended 31 Mar 2014 (RM'000)	Current Year Ended 31 Mar 2015 (RM'000)	Current Year Ended 31 Mar 2014 (RM'000)
a) Income Tax				
i) Current taxation	158	512	748	1,113
ii) Underprovision in prior years	120	(211)	120	(211)
iii) Deferred taxation	0	19	0	19
<b>b) Total</b>	<b>278</b>	<b>320</b>	<b>868</b>	<b>921</b>

The Group tax rate is higher than the statutory tax rate applicable due to the Provision of taxation on profit by certain subsidiary companies.

## B7 Corporate proposals

There were no other corporate proposals announced during the current quarter.

## B8 Group Borrowings

### a) Banking Facilities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
a) Short term borrowings			
i. Overdraft	55,399	-	55,399
ii. Revolving Credit	13,500	-	13,500
iii. Long term borrowings repayable within twelve months	27,258	-	27,258
iv. Hire Purchase repayable within 12 months	114	-	114
v. Total	<u>96,271</u>	<u>-</u>	<u>96,271</u>
b) Long term borrowings			
i. Long term loans	76,082	-	76,082
<b>Less</b> portion of long term loans payable within 12 months	<u>(27,258)</u>	<u>-</u>	<u>(27,258)</u>
	<u>48,824</u>	<u>0</u>	<u>48,824</u>
ii. Hire purchase	420	-	420
<b>Less</b> portion of Hire Purchase payable within 12 months	<u>(114)</u>	<u>-</u>	<u>(114)</u>
	<u>306</u>	<u>0</u>	<u>306</u>
iii. Total	49,130	0	49,130
c) Total borrowings	145,401	-	145,401

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 March 2015 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	3,827
Hong Kong Dollar	<u>8,239</u>
Total	<u>12,066</u>

## B9 Derivative Financial Instruments

The Group is not a party to any financial instruments, which may have an effect to the derivative financial instruments at the date of this report.

## B10 Material Litigation

There was no material litigation pending as at the date of this announcement.

## B11 Earnings Per Share

### a) Basic

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders for the current financial year ended 31 March 2015 are as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2015 (RM'000)	Current Quarter Ended 31 Mar 2014 (RM'000)	Current Year Ended 31 Mar 2015 (RM'000)	Current Year Ended 31 Mar 2014 (RM'000)
<b>Net profit attributable to owner of the Parent (RM'000)</b>	32	309	624	2,013
<b>Basic ('000)</b>				
<b>Total Weighted average number of ordinary shares</b>	<b>858,552</b>	<b>858,552</b>	<b>858,552</b>	<b>858,552</b>
<b>Basic earnings per share(sen)</b>	0.00	0.04	0.07	0.23

### b) Diluted

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the current financial year ended 31 March 2015

## B12 Realised and Unrealised Profits or Losses

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, is as follows:

	As at 31 Mar 2015 (RM'000)	As at 31 Mar 2014 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	79,309	78,695
Unrealised	(343)	(343)
Total Retained profits of the Company and its subsidiaries	78,966	78,352
Total share of Retained profits from associated companies :		
Realised	(275)	(285)
<b>Total Group Retained profits as per consolidated accounts</b>	<b>78,691</b>	<b>78,067</b>

BY ORDER OF THE BOARD  
TAN BEE LENG (MAICSA NO: 7009994)

Secretary

Kuala Lumpur  
Date: 22 May 2015